

Exploration and Corporate Update

West African gold explorer, Asara Resources Ltd (ASX: AS1; **Asara** or **Company**) is pleased to provide an update on the Company's recent activities.

Key Points

- Initiation of metallurgical test work at the Company's flagship **Kada** Gold Project in Guinea to determine the potential of Kada as a low-cost heap leach operation.
- Commenced process on the potential divestment of the Company's Silver, Zinc **Paguanta** Project in Chile.
- Advanced discussions underway on the potential divestment of the Company's 2-million-ounce **Kouri** Gold Project in Burkina Faso.
- Extension of Convertible Note maturity date to 5 January 2025.

Asara's Managing Director, Tim Strong, said:

"We are pleased to provide this corporate update, outlining how the Company intends to move forward with our flagship Kada gold project in Guinea. Initial metallurgical testing will provide us with the knowledge required to move forward with the project as a low-cost heap leach operation which has the potential to quickly be put into production.

Over the past few months, we have worked to outline a strategic plan which has the potential to provide a sustainable long-term growth path for the Company. This includes a reduction in overhead costs, a review of exploration data at Kada and significant work undertaken to divest the Company's non-core assets in Chile and Burkina-Faso. With renewed investor confidence in both gold and silver, we are pleased to have entered more advanced discussions with several interested parties on both the Kouri Gold Project in Burkina Faso and the polymetallic Paguanta Project in Chile. The divestment of these assets will allow the Company to focus on its projects in Guinea and continue to advance Kada towards eventual development.

The company remains a compelling, undervalued, exploration play with an asset base of 923k ounces of gold in Guinea¹, two million ounces of gold in Burkina Faso², 6.8m ounces of silver³ in Chile and an on-going US\$17m joint venture with Teck on the Loreto Copper Project, also in Chile."

Kada Gold Project, Guinea

The Company has entered into an agreement with Kappes, Cassidy and Associates (**KCA**) of Reno, Nevada, to complete further metallurgical test work on the Kada Gold Project in Guinea. KCA are leading experts in heap leach test work and design who have been involved with numerous West African oxide gold projects including the Siguiri Gold Project operated by Anglo Gold Ashanti.

Initial test work at Kada will include head characterization, bottle roll tests, head screens, agglomeration tests and column leach tests to confirm Kada's viability as a low-cost heap leach operation. Sample selection within the main 923k ounce Massan Mineral Resource area has been

completed and it is expected that samples will be dispatched to the USA before the end of the month. It is anticipated that the test work will take approximately two months to complete.

Paguanta Copper and Silver-Lead-Zinc Project, Chile

In Chile, the Company has initiated a number of discussions regarding the potential divestment of its Paguanta silver, zinc, lead, copper project. The asset is non-core, and the Company is working to monetize its interest in Paguanta whilst the Company focuses on its flagship asset, the Kada Gold Project in Guinea.

Kouri Gold Project, Burkina Faso

Advanced discussions are on-going in Burkina Faso regarding the divestment of the Company's two-million-ounce Kouri Gold Project. With the rise in gold price the Company is pleased to report a considerable amount of interest in Kouri from various parties. The Company looks forward to updating shareholders of any developments with respect to this process in accordance with its continuous disclosure obligations.

Convertible Note

The Company has agreed extend the maturity date of its Convertible Note (**Note**) with Capital DI Limited for an additional 7 months until 5 January 2025. All other terms and conditions of the Note outlined in the Company's announcement dated 6 September 2023 remain unchanged.

-ENDS-

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This announcement was authorised for release by the Board of Asara Resources Ltd.

ABOUT ASARA RESOURCES

Asara Resources Limited is an ASX listed exploration company with a portfolio of advanced minerals projects in Guinea and Burkina Faso, West Africa and in Chile, South America.

The Company's flagship project is the advanced Kada Gold Project in eastern Guinea. Guinea remains one of the most under-explored countries in West Africa. Asara has outlined an Indicated and Inferred Mineral Resource Estimate of 30.3Mt at 1.0g/t gold for 923Koz¹, the majority of which is shallow oxide-transitional gold mineralisation. Asara is focussed on growing the Mineral Resource Estimate. Most of the 150km² project area remains under explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

The Company has outlined an Indicated and Inferred Mineral Resource of 50Mt at 1.3g/t gold for 2Moz² at the Kouri Gold Project, located in north-east Burkina Faso, and it also holds the Paguanta Copper and Silver-Lead-Zinc Project in northern Chile which has a Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 88g/t silver, 5.0% zinc and 1.4% lead for 6.8Moz silver, 265Mlb zinc and 74Mlb lead³ at the Patricia Prospect, which remains open. The Company is seeking to divest these projects to focus on Kada.

At the adjacent Loreto Copper Project in Chile, Asara has signed an Option and Joint Venture agreement with Teck Chile whereby Teck Chile can acquire up to a 75% interest in the project.

¹ ASX Announcement: Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated dated 09 October 2023.

² ASX Announcement: Kouri Mineral Resource Increases by 43% to 2 Million ounces Gold dated 26 October 2020 (Total Mineral Resource includes: Indicated Mineral Resource of 7Mt at 1.4g/t gold and Inferred Mineral Resource of 43Mt at 1.2g/t gold).

³ ASX Announcement: New Resource Estimation for Paguanta dated 30 May 2017 (Total Mineral Resource includes: Measured Mineral Resource of 0.41Mt at 5.5% zinc, 1.8% lead, 88g/t silver, 0.3g/t gold; Indicated Mineral Resource of 0.61Mt at 5.1% zinc, 1.8% lead, 120g/t silver, 0.3g/t gold; Inferred Mineral Resource of 1.3Mt at 4.8% zinc, 1.1% lead, 75g/t silver, 0.3g/t gold).

The Company confirms that it is not aware of any new information or data that materially affects the information regarding the Kada, Kouri or Paguanta Mineral Resource estimate and confirms that all material assumptions and technical parameters underpinning the Kada, Kouri and Paguanta Mineral Resource estimate continue to apply and have not materially changed.